

STAMFORD ***TYRES***

Annual General Meeting FY2020

30 September 2020



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Financial Highlights – FY2020

Key Financial Indicators (Comparative)

	FY20	FY19
	S\$'000	S\$'000
Revenue	195,705	229,375
Gross profit	44,112	50,040
GP %	23%	22%
Operating costs	(49,257)	(52,519)
Impairment loss on financial assets	(2,471)	(382)
Share of results of JVs	377	297
(Loss)/profit before tax	(3,093)	2,235
Net (loss)/profit after MI	(4,013)	474
EPS (cents)	(1.70)	0.20
NAV (cents)	49.41	52.34

The losses in FY20 were mainly due to:

- Lower revenue arising from increased competition and oversupply in the tyre market.
- A one-time expense relating to the closure of a loss-making operation in Australia.
- Higher allowance for doubtful receivables as a result of delayed and non-payment of trade receivables when due from customers, due to the Covid-19 pandemic.

Financial Ratios


No	Ratio	FY20	FY19
1	Inventory turnover	217 days	187 days
2	Receivables turnover	90 days	87 days
3	Payables** turnover	134 days	122 days
4	Cash conversion cycle	173 days	152 days
5	Current ratio	1.57	1.76
6	Quick ratio	0.75	0.78
7	Net gearing	0.62	0.60

****Note : Payables consist of trade payables and trust receipts borrowings.**

Cash Flows

		FY20 S\$'000	FY19 S\$'000
Net cashflows from operating activities	[A]	7,369	(2,023)
<i>Decrease in receivables</i>		4,613	6,932
<i>Decrease / (increase) in inventories</i>		1,786	(3,945)
Net cash used in investing activities	[B]	(522)	(705)
<i>Additions of property, plant and equipment (PPE)</i>		(1,765)	(2,604)
<i>Dividend income from joint venture company</i>		1,051	1,042
<i>Proceeds from disposal of PPE</i>		192	857
Net cashflows from financing activities	[C]	5,540	(5,082)
<i>Net (repayment of)/ proceeds from trust receipts</i>		(1,607)	1,549
<i>Repayment of long term loans</i>		(4,945)	(4,492)
<i>Proceeds from long-term loans</i>		4,000	-
<i>Dividends paid to shareholders</i>		(2,362)	(2,356)
Net cash increase/ (decrease) during the year	[D]=[A]+[B]+[C]	12,387	(7,810)
Cash and cash equivalents at beginning of the year	[E]	13,709	21,877
Effect of exchange differences	[F]	(366)	(358)
Cash and cash equivalents at end of the year	[D]+[E]+[F]	25,730	13,709

Dividends History



	FY16 S\$'000	FY17 S\$'001	FY18 S\$'000	FY19 S\$'000	FY20 S\$'000
Profit after tax	2,587	8,112	5,193	474	(4,013)
Dividend	2,356	3,534	2,356	2,362	1,181
Payout ratio	91%	44%	45%	498%	(29%)
Dividend per share (cents)	1.0	1.5	1.0	1.0	0.5
Share price (30 Apr) (S\$)	0.27	0.31	0.34	0.27	0.18
Dividend yield (%)	3.7%	4.8%	2.9%	3.7%	2.8%
EPS (cents)	1.10	3.44	2.20	0.20	(1.70)

Group Strategy And Outlook

Group Strategy And Outlook

Drive topline growth via brands and products diversification

- Deliver timely response to market needs and trends.
- Defend GP margin above 20%.
- Expand our sales and retailer network for tyres and wheels.
- Continue to focus on value-adding segments such as mining-related services, Stamford Tyres Mart retail chain and truck commercial centres.
- Continue to work closely with our Principals to improve communication, profitability and product mix.

Contain operating costs and rationalise current assets

“Thank You!”



From the Management Team